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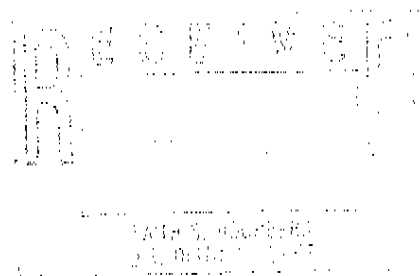
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July 31, 2006

VIA FEDERAL EXPRESS DELIVERY

Honorable Faith S. Hochberg
Martin Luther King, Jr. Fed. Building
& U.S. Courthouse
50 Walnut Street
Newark, NJ 07101



Re: *In re Insurance Brokerage Antitrust Litig.*, MDL 1663, No. 04-5184 (FSH)

Dear Judge Hochberg:

As we have previously advised the Court, over the past few months plaintiffs have been negotiating the terms of a settlement agreement with defendants Zurich Financial Services Group, Zurich American Insurance Company, Steadfast Insurance Company, Fidelity and Deposit Company of Maryland, Empire Fire and Marine Insurance Company, American Guarantee and Liability Insurance Company, Empire Indemnity Insurance Company and Assurance Company of America (collectively, the "Zurich Defendants"). We thank the Court for its patience in allowing the parties the time to work through the issues. Plaintiffs are pleased to report to the Court that we have now executed a Stipulation of Settlement, a copy of which has been filed with the Court today.

The Stipulation of Settlement and its exhibits are enclosed. We note, however, that the Plan of Allocation (Exhibit I to the Stipulation) is not yet finalized and thus is not attached to the Stipulation. We plan to submit the Plan of Allocation to the Court at the time papers in support of preliminary approval of the settlement are submitted to the Court.

Subject to the Court's approval, and pursuant to the Stipulation of Settlement, we would like to submit our papers requesting preliminary approval of the settlement on or before August 28, 2006. We and the Zurich Defendants are happy to have the Court decide the motion on the papers – as the Court's Courtroom Deputy suggested the Court might prefer – or to participate in a

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preliminary hearing to be scheduled at the Court's convenience. The parties will also, of course, be available by telephone to answer any questions that the Court might have upon its review of the motion. At the time we submit papers in support of preliminary approval, we also will suggest possible dates – subject to the Court's schedule – for a final hearing on the fairness of the settlement.

Respectfully,

Edith M. Kallas
Edith M. Kallas
Whatley, Drake & Kallas, LLC

Bryan L. Clobes
Bryan L. Clobes
Miller Faucher and Cafferty LLP

Enclosure

cc: Ralph C. Ferrara, Esq.
All Counsel

SO ORDERED.
08/02/06.

Faith S. Hochberg
Hon. Faith S. Hochberg, USD